

20 February 2017

**Australia's Life Admin Store™, iSelect grows across key metrics,
with operating cash flow up \$15.6 million**

20 February 2017 (Melbourne) iSelect Limited (ASX: ISU) is pleased to announce its financial results for the half year ending 31 December 2016 (H1 FY17), that saw a continued substantial turnaround in profit and operating cash flow.

Summary Financials (\$m)	H1 FY17	H1 FY16	Change	
Revenue	78.0	66.2	up	18%
Operating Cash Flow	9.8	(5.7)	up	15.6
Gross Profit	25.2	16.5	up	52%
GP Margin (%)	32.2%	25.0%	up	7.2 pp
EBITDA	5.9	(3.6)	up	9.5
EBIT	2.8	(6.9)	up	9.8
NPAT	2.6	(4.2)	up	6.7
EPS (cents per share)	1.1	(1.6)	up	2.7cps
Net Cash (no debt)	73.2	87.6 (Jun 16)	down	(14.4)*

* Cash balance after \$20.0m buyback and dividend payments

Key Metric Highlights	H1 FY17	H1 FY16	Change	
Customer Leads	2.0 m	1.7 m	up	18%
Conversion	10.4%	9.5%	up	0.9 pp
Sales Units ('000)	212	164	up	29 %
RPS (\$)	\$408	\$428	down	(5 %)
Interim dividend (cps)	1.5	1.0	up	50%

H1 FY17 continued the momentum from FY16

Managing Director & CEO Scott Wilson commented on the half year's result:

"I am delighted to see the strength in the business displayed during the second half of FY16 continue into FY17. The strategy we put in place 12 months ago is delivering exceptional results for the business. The issues experienced in late 2015 are now well and truly behind us. Our new management structure, systems and procedures are fully embedded and performing very well."

H1 FY17 saw an exceptional turnaround in the performance of the Company with EBIT turning around from a \$6.9 million loss in H1 FY16 to a \$2.8 million profit.

A highlight of the H1 FY17 result was the substantial growth in operating cash flow, experiencing a \$15.6 million turnaround from an outflow of \$5.7 million in H1 FY16 to an inflow of \$9.8 million.

“The strategy we’ve put in place is driving greater outcomes from our business and this is really paying off, as we’ve seen a strong return to profitability and a dramatic turnaround in operating cash flow in the first half. Combined with our vision to become Australia’s Life Admin Store™, we’re very confident this growth will continue through the second half of FY17 and beyond, as we have built up real momentum”, said Mr Wilson.

Health growing at a multiple of the market

“The strong result from our Health business demonstrates the resilience of iSelect’s business model. The private health insurance sector in Australia continues to experience headwinds, mainly centred around ongoing affordability issues. Despite the external market softening, iSelect continues to outperform the industry given the product solutions we provide our customers, delivering both revenue and profit growth,” said Mr Wilson.

Energy & Telco segment a standout performer

The Energy & Telco segment was the Company’s stand-out business unit for H1 FY17. This business unit grew particularly strongly over the period with revenue up by 39% to \$24.3 million, and EBITDA up by over 260% to \$1.4 million. Earnings are growing faster than revenues as the scale benefits of the Company’s platform are now beginning to flow through.

Mr Wilson said, “Our Energy and Telco businesses posted outstanding results, with customer leads growing by an impressive 47%, reflecting our continued marketing investment. The broadband business in particular showed outstanding results and nbn connections now make up 30% of our broadband sales.

“As the rollout of nbn across the country continues, we predict nbn connections will reach 50% of our broadband sales in the coming months. With nbn co targeting 8 million homes connected to its network by 2020, this presents an enormous and ongoing opportunity for iSelect,” he added.

Life & General Insurance growing, but reflects reduced margins in Life

Revenue in the Life & General Insurance segment was up 8% to \$14.4 million, largely driven by growth in the Car business. Life margins compressed due to industry pressures and increasing investments in marketing and people. Both the Life and General Insurance businesses remained profitable during H1 FY17.

Growth in the iSelect marketplace – increasing the offering to our customers

iSelect has been actively strengthening its marketplace with the addition of nine new partners and brands joining the product provider panel. Mr Wilson commented:

“I am delighted that we have been able to add such strong players to our panel of providers. In Health we have Allianz Global Assist and IMAN Australian Health Plans joining; in Car we see Zurich increase our offering in the car insurance segment; in Energy Mojo Energy, in Home Loans we add MyState and Teachers Mutual Bank; and in Broadband we’ve got three new entrants in Harbour ISP, Mate Communicate and Start Broadband.”

iSelect is further diversifying

iSelect’s business continues to diversify with non-health revenues growing and now comprising 55% of total revenue, up from 53% in H1 FY16. This is despite health revenues also growing at 13% over the previous corresponding period.

Cash of \$73.2 million, following \$20 million in capital management

iSelect’s balance sheet remains strong, with a cash balance of \$73.2 million and no debt at 31 December 2016. The Company’s on-market buyback continued over H1 FY17 with \$16.4 million of shares bought

back. The on-market buyback will be ongoing. In addition, the FY16 final dividend payment of 1.5 cents per share was made totalling \$3.6 million.

Positive outlook for continued strong growth over H2 FY17

Commenting on the outlook for H2 FY17, Mr Wilson said, “We are anticipating continued strong growth for the remainder of FY17 and beyond. We anticipate another very positive result for the Energy & Telco business with strong double-digit growth expected and another solid result in Health. As a result, I am confident that we will achieve the upper end of our previously advised \$21 million to \$24 million EBIT guidance range.

“We will also be continuing our investment in marketing, particularly in the Health and Energy & Telco businesses. The implementation of the Salesforce CRM and Aspect customer experience platforms is progressing well. This all forms part of our desire to provide a truly effortless customer experience as we help Australians to take care of their boring but important life admin® tasks.”

-- ENDS --

Investor and analyst conference call

The Company will be holding an investor and analyst conference call at **11:30AM Melbourne time today**.

Participants can dial +61 2 9007 8048 or 1800 908 299 (toll free) to join the call. When prompted, please provide **CONFERENCE ID: 997103**

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About iSelect

At iSelect, we get that most people find insurance, utilities and personal finance boring. But we understand that it's really important to always get these things right. As Australia's Life Admin Store™, iSelect gives customers the confidence to make the right call on some of the things that matter most.

Last year, more than 9 million Australians visited our website and we provided recommendations to over 6 million customers. But we are much more than just another online comparison website. Our highly-trained experts at iSelect HQ help customers to choose and buy from thousands of available policies, products and plans. And we provide our advice at no cost to the customer.

We compare and sell some of Australia's biggest brands and are proud to be ASX-listed and, unlike other comparison sites, we are not owned by an insurance company. From health and life insurance through to energy and broadband, as well as car insurance and home loans, iSelect helps Australians take care of the boring but important stuff. www.home.iselect